

**U.S. Department of the Interior
Bureau of Land Management**

And

**U.S. Department of Agriculture-Forest Service
Manti-La Sal National Forest**

Decision Record (DR)

December 2011

**Modification of Federal Coal Lease UTU-67939
(Winter Quarters-Skyline North)
Carbon County, Utah**

**U.S. Department of the Interior
Bureau of Land Management
Price Field Office
125 West 600 South
Price, Utah 84501**

**U.S. Department of Agriculture-Forest Service
Manti-La Sal National Forest
Ferron-Price Ranger District
599 West Price River Drive
Price, Utah 84501**

**Office of Surface Mining Reclamation and Enforcement
Denver Field Division
1999 Broadway, Suite 3320
Denver, Colorado 80202**



DECISION RECORD
Environmental Assessment
DOI-BLM-UT-G023-2011-0001-EA
Modification of Winter Quarters Federal Coal Lease UTU-67939
(Skyline North)

Based upon my review of the Modification of Winter Quarters Federal Coal Lease UTU-67939 Environmental Assessment (EA), I have decided to implement the Proposed Action Alternative, which would modify the Winter Quarters Federal Coal Lease UTU-67939 by adding 770.52 acres of unleased federal underground coal to the existing underground coal lease area associated with the Skyline Mine (operated by Canyon Fuel Company (CFC)). Of the total proposed acreage, 690.52 acres are overlain by surface lands administered by the U.S. Department of Agriculture, Forest Service (FS) Manti-La Sal National Forest (MLNF), while 80 acres are overlain by surface private (fee) lands. The Proposed Action would facilitate recovery and avoid bypassing an estimated 6.9 million tons of federal coal reserves north and outside of the currently lease. The coal would provide economic returns to the federal, state, and local economies. Existing lease terms, conditions, and special stipulations from the original lease will remain in effect for the lease modification (EA Appendix A) and Proposed Action Alternative commitments are presented in Chapter 2 of the EA.

Authorities: The U.S. Department of the Interior, Bureau of Land Management (BLM), charged with administration of the mineral estate on these federal lands, has the legal authority and responsibility to issue leases for economic development of federally-owned minerals. The FS, as the Surface Management Agency, considers consenting to the BLM issuing leases and conducting other leasing actions on lands under its jurisdiction.

The authority for this decision is contained in the Mineral Leasing Act of 1920, as amended, the Federal Coal Leasing Amendments Act of 1976, and regulations in 43 CFR 3400.

Compliance and Monitoring: CFC will be responsible for securing other required approvals and permits for future mining operations in the project area as required by the following jurisdictional agencies:

- Office of Surface Mining (OSM) and Utah Division of Oil, Gas, and Mining (DOGM) – Submit a permit amendment application and receive approval of such for the expansion of the current mine permit area under Section 503 of the SMCRA. Permit outlines specific environmental monitoring and reporting requirements CFC will be required to perform.
- U.S. Environmental Protection Agency (EPA) - Compliance with applicable air, water, and hazardous materials requirements under programs administered by the Utah Department of Environmental Quality (DEQ).
- U.S. Army Corps of Engineers (ACE) – Compliance with Section 404 of the Clean Water Act as it relates to potential construction and stream realignment.
- Mine Safety and Health Administration (MSHA) – Compliance with applicable requirements relating to mine facilities and operation.

- U.S. Fish and Wildlife Service (FWS) – Compliance under the Endangered Species Act, Bald Eagle Protection Act, and Migratory Bird Act.
- Utah Department of Wildlife Resources (DWR) – Compliance with applicable wildlife protection measures.
- Utah State Historical Preservation Office (SHPO) – Compliance with applicable provisions of the National Historic Preservation Act.
- Carbon County – Compliance with Zoning Regulations and applicable requirements for special building and water and sewer permits.

As a part of the DOGM permitting process, hydrological monitoring of springs, seeps, creeks, and potentially impacted water supply wells would be required prior to and during the operational phase of the mine and continuing through the remainder of the permit term. A detailed list of required monitoring locations, flow measurements, field and laboratory analysis requirements, and potential mitigation measures would be included in the Permit Application Package to be developed in coordination with DOGM. The monitoring would be done to determine if impacts to municipal supply watersheds, water supply wells, or surface resources occur. DOGM is responsible for ensuring impacts from mining activities are properly addressed in the final approved mine permit and during the entire permit term.

Terms/ Conditions/ Stipulations: Existing stipulations and mitigation measures in the existing Winter Quarters Federal Coal Lease UTU-67939 would be applied to the lease modification area. Appendix A in the EA contains the existing stipulations and mitigation measures to be implemented for the Proposed Action. BLM and FS shall monitor actions performed to ensure compliance with the terms, conditions, and stipulations of the lease grant.

Plan Conformance and Consistency

The Proposed Action and alternatives have been reviewed and found to be in conformance with the following BLM Land Use and FS Forest Plans and associated decisions:

- BLM Price Field Office Record of Decision for the Environmental Impact Statement and Resource Management Plan approved in October, 2008. Federal coal included in the Proposed Action falls within an area identified as “Coal Available for Further Consideration for Leasing” (Map R-24)
- The MLNF Land and Resource Management Plan approved in November, 1986.

Alternatives Considered: Two alternatives were brought forward for consideration and analyses 1) The Proposed (Lease Modification) Action Alternative, and 2) No Action Alternative. A Competitive Lease Sale of the lease modification coal was determined not to be viable and was dismissed from further consideration and not carried forward for analysis in the EA. The Offering of Unleased Federal Coal through Competitive Sale would have required the BLM to offer through competitive sale the proposed modification portion of the Winter Quarters Federal Coal Lease UTU-67939. Since CFC is currently operating the Skyline Mine through recovery of federal coal in this lease and because access to the unleased portions of the adjacent coal is limited by private land ownership and extreme topography, it was concluded that CFC was the only likely operator capable of economically accessing the coal reserve. The small size

of the unleased coal in the project area (770.52 acres) north of the existing Skyline Mine operations would likely preclude commercial viability of developing a new mine.

Rationale for Decision:

Implementation of the No Action Alternative would not meet the purpose or need for the action outlined in the EA. Under this alternative, it was assumed that since unleased federal coal would not be included in the lease modification, it would continue to remain undeveloped. Rejection of the Proposed Action Alternative and acceptance of the No Action Alternative would not affect future applications to lease the unleased federal coal. If the coal resource is not mined by Skyline Mine, the unleased portion of the federal lease would be bypassed and would not be mined by any other coal operator. No underground mining of the unleased federal coal resource would occur, which would result in a potential loss of coal energy and revenues for the public. The coal would not be used to provide for the household electrical needs of some 3.6 million members of the public.

No issues were raised by the public that created another alternative and no resource concerns or additional mitigation actions were identified which warranted consideration for additional alternatives.

The Proposed Action Alternative meets the purpose and need as outlined in the EA. As stated in the attached Finding of No Significant Impact, this action was analyzed in the EA and found to have no significant impacts. The Proposed Action conforms to the existing land use plans.

On November 3, 2010 the BLM posted notification of the EA process via the Environmental Notification Bulletin Board to solicit comments during the data gathering and analyses process from persons, groups, and organizations that may have an interest, (often referred to as stakeholders), and local, state and other federal agencies with control or an interest in the lease modification and surrounding areas. The FS initiated cultural and Native American consultations on November 3, 2010. Letters were sent to the SHPO, Ute Indian Tribe, Paiute Indian Tribe of Utah, Navajo Nation Aneth Chapter, Hopi Cultural Preservation Office, White Mesa Ute Council, and Ute Mountain Utah Tribe as part of the EA process. The FS initiated scoping on May 17, 2011 and concluded on June 18, 2011. The legal notice was published in the Sun Advocate on May 17th, 2011. Letters were sent to individuals who earlier had expressed interest in such proposals. To date, letters have been received from the Hopi Cultural Preservation Office, the Utah State Historical Preservation Office, the Paiute Indian Tribe of Utah, the Utah Environmental Congress and the Grand Canyon Trust, and the Utah State Governor's Office. Comments received were addressed and are contained in Appendix B of the EA. None of the comments received changed the analysis or warranted the need for other alternatives.

Protest/Appeal Language: This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR Part 4. Public notification of this decision will be considered to have occurred on December 15, 2011. Within 30 days of this decision, a notice of appeal must be filed in the office of the Authorized Officer at 125 South 600 West, Price, Utah 84501. If a statement of reasons for the appeal is not included with the notice, it must be filed with the Interior Board of Land Appeals (IBLA), Office

of Hearings and Appeals, U.S. Department of the Interior, 801 North Quincy St., Suite 300, Arlington, VA 22203 within 30 days after the notice of appeal is filed with the Authorized Officer.

If you wish to file a petition for stay pursuant to 43 CFR Part 4.21(b), the petition for stay should accompany your notice of appeal and shall show sufficient justification based on the following standards:

- The relative harm to the parties if the stay is granted or denied,
- The likelihood of the appellant's success on the merits,
- The likelihood of irreparable harm to the appellant or resources if the stay is not granted, and
- Whether the public interest favors granting the stay.

If a petition for stay is submitted with the notice of appeal, a copy of the notice of appeal and petition for stay must be served on each party named in the decision from which the appeal is taken, and with the IBLA at the same time it is filed with the Authorized Officer.

A copy of the notice of appeal, any statement of reasons and all pertinent documents must be served on each adverse party named in the decision from which the appeal is taken and on the Office of the Regional Solicitor, U.S. Department of the Interior, 6201 Federal Building, 125 South State Street, Salt Lake City, Utah 84138-1180, not later than 15 days after filing the document with the Authorized Officer and/or IBLA.

Patricia A. Chabougl
Authorized Officer

12.15.2011
Date